

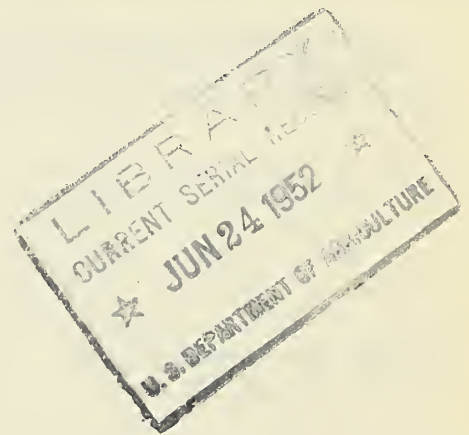
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MARKETING ACTIVITIES



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POULTRYMEN'S LUCKY 7

By W. D. Termohlen Page 3

Seven, they say, has been a significant number since times before Christianity. Now, PMA poultry specialists have found that following that number of practices can bring an improvement in egg profits. The director of PMA's Poultry Branch, Mr. Termohlen, explains the formula.

THE CASE FOR VARIETY

By Malvin McGaha Page 7

While a few staples furnish the bulk of retail sales of fruits and vegetables, there is a strong case for the "specialties". Mr. McGaha of the research section, Fruit and Vegetable Branch, PMA, points this out.

WORLD TRENDS IN FATS AND OILS

By Robert M. Walsh Page 9

Have we passed directly from a period of world shortage to one of overabundance in fats and oils? Mr. Walsh, Deputy Director, Fats & Oils Branch, PMA, surveys the situation and outlook.

TOWARDS STOCKYARD MODERNIZATION

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There is room for improvement in stockyard operations. Mr. Zelinski reviews a report on this subject by PMA's Livestock Branch.

FROZEN FOOD WHOLESALING

By James A. Mixon Page 15

Do you want to get into frozen food wholesaling? The Marketing and Facilities Branch, PMA, has explored the field. Mr. Mixon of that Branch gives you the report.

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Poultrymen's Lucky "7"

By W. D. Termohlen

Marked increases in per capita consumption of eggs in the past few years have been accompanied by an increase in demand for a quality product. As a result, there is frequently a shortage of high quality eggs despite the surplus production that plagues the industry from time to time.

In one State in 1950, for example, over-all production amounted to 1,500,000 cases of shell eggs in excess of total consumer needs in that State. Yet, in order to meet consumer demand for high quality eggs, it was necessary to fulfill a part of that demand from production areas outside of the State.

In such a situation, it may be assumed that quality production of eggs in some of the major producing areas is being neglected, and further, that home markets are not being properly supplied from local sources with the quality of eggs most in demand.

Some of the fault lies in the failure on the part of egg producers to follow production and marketing practices that serve to maintain quality.

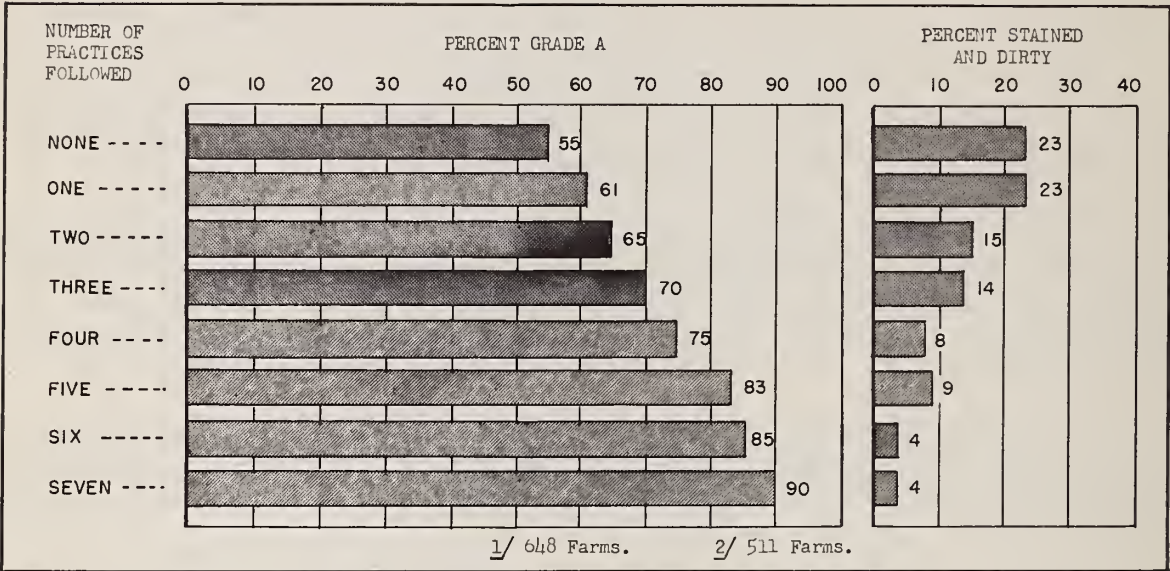
Seven widely recommended production and marketing practices were studied by the U. S. Department of Agriculture in cooperation with Agricultural Experiment Stations in nine Mid-western States in an effort to determine their value in maintaining quality and toward increasing the number of top grade eggs the producer has to market. These practices and their relative worth in quality egg production, the research study indicates, made it possible for producers who followed all seven of them to market eggs that averaged 90 percent grade A quality. On the other hand, producers who followed none of the recommended practices marketed eggs that averaged only 55 percent grade A quality.

Complete results of the study are being reported in detail in Information bulletin "Poultry Farm Practices and Egg Quality," which now is being published by the Production and Marketing Administration of the USDA. A pamphlet "Seven Ways to Greater Egg Profit" will summarize results of the study.

The pamphlet points out that producers, with a little extra effort, can follow the seven recommended practices with assurance that they will have more top grade A eggs to market and greater returns. These practices are: Confining the laying flock; providing clean, dry floor litter; providing clean, dry nesting material; gathering eggs frequently; collecting and cooling eggs in wire baskets; cooling eggs before packing and keeping them cool; and maintaining proper humidity.

The following chart indicates the effect of the use of these practices upon egg quality:

Number of Recommended Management and Handling Practices Followed by
Midwestern Egg Producers and Percentage of Eggs Marketed
That Were (1) Grade A 1/ and (2) Stained and Dirty 2/



Confining the laying flocks is a sound, time-tested farm management practice known to result in greater production and more high quality eggs. Producers should confine laying flocks in suitable poultry houses that are well ventilated at all times. The houses should provide each layer with from 3 to 4 square feet of space. Laying hens do not produce to full efficiency without proper shelter, and lack of adequate housing is apt to result in more stained and dirty eggs as well as in low production.

Over-crowding in a poultry house is as bad a practice as that of permitting the hens to roam. A lower rate of production and a higher percentage of stained and dirty eggs are certain to result. It is a far better practice to keep no more layers in the flock than housing facilities can comfortably accommodate.

Researchers studied the methods employed on 646 farms to determine the effect upon egg quality resulting from keeping flocks confined. It was found that 174 farmers who kept their flocks confined at all times marketed eggs that averaged 78 percent A quality. On 61 farms where part-time confinement was practiced, the percentage of A quality eggs was 74 but on 411 farms where laying flocks were not confined, the percentage of A quality eggs marketed was only 66.

Providing clean, dry floor litter is a management practice which helps provide more A quality eggs. Clean, dry litter is frequently the difference between clean eggs and stained and dirty eggs. Many types of litter are available and most are inexpensive. Spreading the litter and keeping it dry and clean reduces the chore of cleaning dirty eggs.

The effect of using dry floor litter on egg quality was examined on 498 farms. Of this total, 465 farms used dry floor litter and marketed 70 percent A quality eggs. The 33 farms that permitted floor litter to become damp marketed eggs that averaged only 57 percent A quality.

On 127 farms that supplied clean litter the eggs marketed were 78 percent A quality, but only 70 percent A quality on 156 farms where slightly dirty litter was found. On 205 farms where dirty litter was found, the eggs marketed were only 63 percent A quality.

Providing clean, dry nesting materials is another practice of importance to quality production and most farms have ample quantities of nesting material at hand.

According to the 9-State study, use of clean, dry nesting material is a fairly general practice among farm flock operators. On 482 farms where dry nesting materials were used, 70 percent of the eggs marketed were of A quality. On 13 farms, however, where damp nesting material was found, the eggs marketed were only 50 percent of A quality.

Clean nesting material, as provided on 314 of the farms studied, resulted in the marketing of eggs of 75 percent A quality, while the percentage dropped to 63 percent on farms where nesting material was found slightly dirty and to 52 percent where dirty nesting material was used.

Gathering eggs frequently--at least 3 times a day--is one of the most necessary of all recommended marketing practices. The longer eggs stay in the nest after they are laid, the more they deteriorate. Exposure to sun or any heat adversely affects egg quality. Commercial egg producers usually collect eggs a minimum of three times a day, preferably at 10 a.m., between 12 and 1 p.m., and again at 4 p.m. The study indicates that egg quality may be improved by collecting eggs four times a day.

Out of 647 farms studied as to egg collection practices, only 35 farms made collections four times a day. The eggs they marketed were 84 percent A quality. On 113 farms where collections were made 3 times a day, 79 percent of the eggs marketed were A quality. On the 346 farms where collection was made twice a day the eggs marketed averaged 70 percent A grade, while on 153 farms collecting only once a day, the eggs marketed averaged only 60 percent grade A.

Collecting and cooling eggs in wire baskets is a desirable practice. Wire baskets permit free circulation of air to cool eggs rapidly before they are packed in cases and reduces the chance of quality deterioration. Use of pails of metal or wood, boxes or woven wood baskets is not recommended for cooling. Such containers do not permit the eggs to cool rapidly enough even when they are placed in cooling rooms.

A study of this practice was made on 624 farms of which 193 operators used wire baskets and marketed 76 percent of A quality eggs. Woven wood baskets were used on 32 farms and the quantity of grade A eggs marketed averaged 70 percent, while on 399 farms on which pails or buckets were used only 67 percent of the eggs marketed were grade A.

Cooling eggs before packing, keeping them cool, and maintaining proper humidity are practices that go hand in hand. Of first importance is placing eggs in a cooling room as soon as they are collected. A refrigerated room is ideal, of course, but cool basements, caves or spring houses are generally satisfactory. Maintenance of relatively high humidity is also important. Where natural conditions are not satisfactory, other means can be used to increase the moisture in the storage place. Rapid quality deterioration is certain to follow if eggs are not properly cooled or stored.

Practices relative to the cooling and holding of eggs were studied on 614 farms. On 296 farms, it was found that cooling and storage room temperatures ranged from 50 to 69 degrees F. and that the eggs marketed averaged 72 percent grade A. On 266 of the farms where temperatures ranged from 70 to 79 degrees F. the eggs marketed averaged 66 percent grade A, and where temperatures ranged from 80 degrees F. and higher, the eggs marketed were only 55 percent grade A.

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NEW LIFT FOR "HIGH-PILING" APPLES DEVELOPED:

Savings of up to \$100,000 annually by apple packing and storage houses in Washington State alone are possible through use of a new portable mechanical lift for stacking and "breaking out" high-piled boxes of that fruit. The equipment, operated by a storage battery powered electric motor, was developed in a cooperative research project sponsored by the Marketing and Facilities Research Branch of the Production and Marketing Administration, USDA, and the Washington State Apple Commission.

The new device includes hydraulically operated clamps for gripping or squeezing the lower box in a stack of boxes. It will pick up 4 or 6 boxes of apples and place them on top of a stack six boxes high.

In most of the older apple packing and storage houses of the Pacific Northwest, boxes are stacked 10 and 12 high for storage. The lower 6 boxes can be placed in position easily from two-wheeled hand trucks, but hand-stacking the additional 4 or 6 boxes on top of them is a slow, laborious, and expensive process. One or two men have to work in cramped positions on top of the stacks, while others hand boxes up to them.

With the portable mechanical lift one man can do this work, replacing the usual two or four men required. Test runs with the mechanical lift, building 12-high stacks, gave an estimated cost of \$3.17 per 1,000 boxes of apples, compared with \$7.08 when the manual method was used. For taking high-piled boxes down out of storage, the cost per 1,000 boxes was \$1.51 compared with \$6.04 for the manual method.

A copy of a detailed report on the device, "A Portable Mechanical Lift for High-Piling and Breaking Out High-Piled Boxes of Apples", may be obtained from the Office of Information Services, Production and Marketing Administration, U.S. Department of Agriculture, Washington 25, D.C.

The Case for Variety

By Malvin McGaha

No one can dispute the fact that a few "old standby" fruits and vegetables make up the bulk of the average retailer's sales, both dollar- and volume-wise. These staples--potatoes, lettuce, onions, carrots, and cabbage in the vegetable line, and oranges, apples, grapefruit, bananas, and lemons among the fruits--make up roughly 75 percent of the volume handled.

A survey made in 8 independent markets in Washington, D. C., in April-June 1951, showed that as few as 6 fruits and vegetables accounted for 55.8 percent of the volume and 51.5 percent of the dollar value.

More intensive survey of 28 independent Baltimore stores during the period March 1948 through February 1949, showed that a half-dozen fruits and vegetables made up 55.6 percent of the volume and 49.5 percent of the value.

These studies, of course, represent only a very small sampling of produce marketing, but results of similar surveys generally support the figures and, in total, they appear to build up a strong case for specialization.

But do the figures tell the whole story? Many market analysts and most retailers are convinced that they do not; and from the evidence that is available on consumer opinion, consumers appear to be glad most retailers feel this way. There is sound evidence that consumers will make extra efforts to shop in stores that stock those seasonal specialties--the "spice" of the produce items.

But while many customers look for specialties, it will likely come as a surprise to many shoppers to know that there are as many as 125 different fruits and vegetables annually marketed in relatively large volume in the United States. Of course, not all the 75 different vegetables and the more than 50 fruits are on the market at any one time. Each commodity has its season, but the development of new varieties, the use of better cultural practices such as "succession" planting, and the more efficient and more flexible marketing system have greatly broadened the base of availability.

Now, for example, green corn, fresh strawberries, lettuce, tomatoes, celery, and similar items are in retail stores the greater part of the year.

The modern fully stocked produce department will carry 40 to 60 fresh fruit and vegetable items. Retailers who are "on their toes" can do much

to enhance their profits by "plugging" specialty items in season. At the same time, they encourage increased consumption of the fresh "protective foods" so essential to good nutrition. In addition, expanding markets are provided producers of these specialty cash crops.

Those retailers who have made their fast-moving, colorful produce displays the drawing cards in their stores have found too, that sales have increased in other departments. This is a natural consequence of the increased trend toward "one-stop" shopping. On the other hand, those retailers who have relied on a few staples to carry the load have discovered the fairly direct relationship between the number of items stocked and the number of customers.

Often specialty items are in and out of season so quickly that certain retailers have discounted their importance strongly on this score. But while the highly seasonal item may constitute less than a tenth of one percent of total value of a retailer's sales of fresh fruits and vegetables on an annual basis, it may account for 5 percent or more of sales during the peak of the season. First costs and handling problems are both greater on such items, but so are the profit margins. Experience has shown that, if given the opportunity, consumers do buy these products readily and in significant volume.

Results Surprise Retailers

Some of the facts which have turned up in the studies conducted by the U. S. Department of Agriculture and the University of Maryland have surprised many retailers. The results of one survey conducted on kale and spinach sales caused a grocer to remark, "You can't always figure customers. I don't try to understand them. I just aim to please them."

This grocer was not the only one surprised by the figures on sales of bulk and prepackaged kale (on an edible pound basis) as their sales volumes were compared in two Washington, D.C., self-service stores during the months February 16 - June 30, 1948.

When the prepackaged kale was offered alone over a 5-week period sales averaged 127 pounds. When bulk kale was added and sold side by side with prepackaged kale, the combined sales jumped to a weekly average of 212 pounds over a 10-week period. The breakdown for the combined sales were, on a weekly average basis, 107 pounds for bulk kale and 105 for prepackaged kale. When prepackaged kale was withdrawn from the market, sales of bulk kale alone dropped to an average of 108 pounds over a 3-week period. Thus, when the two items were offered together, sales volume was nearly double that of the average weekly single item offerings.

Other results of marketing surveys show that the case for variety can be made even stronger if retailers stock a selection of sizes, varieties, or grades within a given item. For example, sales figures show that a retailer will sell more apples from three displays of different varieties or sizes, differently priced, than he will if apples are offered only at single price in one large display. Again, a grocer's comment sums up the situation—"If you want a lot of customers in the aisles you'd better have a lot of different items on display."

World Trends in Fats and Oils

By Robert M. Walsh

Developments in the world supply situation for edible fats and oils over the past year--since 1951 crops were harvested--indicate that now is the time for a check-up on what may lie ahead. There are indications that we may be coming into a world-wide chronic oversupply period unless some corrective action is taken.

Some of these indications are the increasing upward trend in world production of fats and oils above population growth, declining prices, and substitution of synthetic materials for some of these predominantly agricultural commodities.

On the other hand, there are certain factors indicating that present abundant supplies of fats and oils may be temporary. They are: bumper crops last year, in certain producing areas, that are not likely to recur for some time, a temporary recession in demand in this country and abroad due to overstocking of fats and oils immediately after Korea; and a tightening of controls in certain countries to conserve foreign exchange.

What then is the situation? Is the world in a transitional period where supplies of fats and oils are coming into better balance with demand, or have we passed directly from a period of world shortage to one of overabundance? Here is some of the background:

World Production Up

World production of fats and oils from 1951 crops has been estimated by the Office of Foreign Agriculture Relations at nearly 26 million tons compared with the 1935-39 annual average of 23 million tons. Major increases are in tallow, greases, soybean oil, olive oil, lard, sunflower seed oil, rapeseed oil, peanut oil, coconut oil, palm oil, and cottonseed oil.

Major decreases are in production of butterfat, marine animal oils, and linseed oil.

Possibilities for large future expansion lie mainly in the annual oilseed crops and in the palm-tree crops. Animal fat production can be expanded, but is limited by availability of feed for livestock. Whale oil is restricted by international conservation agreement and fish-oil production now is static.

The demand for fats and oils is not likely to rise in proportion to gains in output of vegetable oils which means that additional supplies can be absorbed only at disproportionate reductions in price.

Demand Decreasing

A downward swing in demand has occurred in the last five years as a result of a technological revolution whereby petroleum raw materials have been successfully used in the detergent field. Soap, made by combining fatty acids with caustic soda or potash, has been the outstanding detergent in at least two milleniums of civilized man. Now the synthetic detergents made largely without fatty derivatives have, within a brief span, crowded abruptly into the soap field.

Retail sales of the synthetic detergents in the United States amounted to nine pounds per person in 1951, a gain of about six pounds since 1947. Consumption of soap dropped about 11 pounds per person during the same period, from 29 pounds to 18 pounds. This is equivalent to a loss in use of several hundred million pounds of fats and oils, principally coconut oil and tallow.

Effect on Prices

Impact of this decreased use of fats and oils in soap has affected prices of inedible fats and also prices of edible fats and oils. Oils such as coconut, no longer in such strong demand here for soap, are going to Europe for food products and are in direct competition there with our exports of soybean oil, lard, and other edible fats and oils.

Synthetic detergents now are used in this country, Canada, the United Kingdom and on the Continent of Europe. Soon they can be expected to find their way to Latin America, Australia and perhaps to large parts of Asia and Africa.

Synthetic materials have other industrial uses in competition with fats. Synthetic latex, for example, is beginning to displace drying oils in interior paints and enamels.

Domestic Situation

Domestic production of fats and oils in 1951-52, estimated at 12½ billion pounds, will be nearly four billion pounds larger than 1935-39 production and slightly larger than last year. The 1952 soybean crop is expected to be large, again approaching 300 million bushels. Production of other oilseeds apparently will be large. Lard production probably will be reduced because of high prices for feed in relation to hog prices. Total production of fats and oils in the United States may be slightly less in 1952-53 than in 1951-52.

Commercial stocks of fats and oils are on the increase. Future demand may be somewhat stronger than in the present crop year, but not enough so as to affect prices materially unless some unusual event (such as a war scare, or war) causes an excessive build up of stocks of fats in distribution channels.

Export movements of fats and oils will again be large in 1952-53, but export volume will depend to a certain extent on production in other parts of the world, particularly those areas still behind pre-war production, and on the availability of dollar exchange.

Domestic prices of soybeans have held above support price levels because of the demand for meal, in spite of a declining trend in oil prices. This, combined with the overexpansion of soybean crushing facilities since the war, has caused intense competition among the mills for the soybean supply. The competition is likely to continue intense into 1952.

Price Supports on Oils?

Several proposals have been made recently that the Department of Agriculture should support prices of edible oils on the theory that higher prices for the edible oils would permit crushers to sell soybean and cottonseed meal at lower prices than have prevailed in the 1951-52 season, would relieve pressure on price ceilings, and would improve livestock-feed price relationships.

The inter-relationship between prices of fats and oils in the United States and in foreign markets evidently has been overlooked. A domestic price support program for fats and oils, as such, would necessarily have the effect of raising in some degree the whole world price structure for fats and oils. To be effective, huge quantities of oils would have to be pledged to or acquired by the Government, presumably to be held off the market until some future day when shortages might again appear. Such a program could be extremely costly to the U. S. taxpayers.

Price support today is effected in a more direct and simple manner. Loans and purchase agreements at 90 percent of the November 1951 parity will be available to farmers for 1952 crop soybeans.

Cottonseed, unlike soybeans, is not storable for any length of time. Normal marketing of cottonseed through the crushing mills is desirable. Under this price support program, finished products of cottonseed, (oil, meal, and linters) may be sold to the Commodity Credit Corporation at specified prices in proportion to seed purchased by crushers at not less than the support price.

This crushing mill arrangement not only provides price support for cottonseed farmers, but also protects the crusher against loss when he has paid the support price for cottonseed. At the same time it does not place the crusher in a position to pick up a profit on one cottonseed product while receiving protection on the other products.

Loans and purchase agreements also will be available to cottonseed producers and direct purchases of cottonseed will be made, if necessary, to effectuate price support for that commodity.

Only small quantities of soybeans were put under loan or purchase agreement under the 1951 price support program. The quantities of cottonseed products tendered to CCC also were relatively small. Largely as a result of strong demand and high prices for cake and meal, prices of both soybeans and cottonseed have been above support price levels throughout the marketing season to date, despite a declining trend in oil prices.

Need for International Action

In setting domestic production goals for 1953 the rising trend of edible fats and oil production throughout the world must be considered. It raises the question of lowering the goals for production of domestic oil seeds. If that is done would it be advisable to have some international organization, such as the Food and Agriculture Organization of the United Nations, make an impartial review of the situation? Concerted action by the United States and other nations to establish guides or limits to production consistent with real demands might be desirable if a chronic oversupply of fats--measured in terms of prices to producers--is developing. The United States, despite its leading position as producer and exporter, cannot be effective by itself in correcting a potential oversupply that is world-wide in scope.

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OIL CONTENT OF SOYBEANS DETERMINED QUICKLY

A quicker, cheaper method of determining the oil content of soybeans through use of electronic equipment has been developed by technologists of the Grain Branch, Production and Marketing Administration, USDA, in cooperation with a commercial laboratory.

Known as a rapid dielectric method for determining the oil content of soybeans, the new process is the result of a study made under the authority of the Agricultural Marketing Act of 1946 (RMA, Title II). It involves the use of a high frequency oscillator for measuring the quantity of soybean oil in a special solvent, and operates as follows:

Soybean samples are ground in a special grinder-extractor with an oil solvent. In this grinding, the oil is extracted from the soybeans. The solvent containing the oil is then filtered and placed in the cell of the electronic oscillator which measures its dielectric properties. The reading is converted to percent of oil by means of a conversion table developed from data obtained from analyzing a large number of soybeans by this method and the customary chemical process.

Under the new method, results on a single sample of soybeans can be obtained in about 15 minutes as contrasted with the several hours required by the official method now in use. If a series of samples is analyzed two analysts could make 20 to 30 determinations per hour. The process and technique are simple enough that nontechnical personnel can perform the analysis after only brief instruction.

The estimated cost of the equipment used in the new method, when used at capacity, is approximately one-half the estimated cost of equipment used under the present official method for testing the same number of soybean samples.

Further information on the method and equipment may be obtained from the Grain Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Towards Stockyard Modernization

By J. A. Zelinski

Every day thousands of head of livestock move through the country's terminal stockyards. These livestock "hotels" are one of the vital links in the marketing process that brings meat and many other products to American consumers. In recent years the "hotels" have bettered their operating methods but as in all agricultural marketing operations there's room for further improvement.

To promote more efficient operation of these markets by offering suggestions for improvements in facilities and services, the Livestock Branch of the U. S. Department of Agriculture's Production and Marketing Administration began a study aimed at developing better methods of operation. In the course of the study which was made under the Agricultural Marketing Act, improvements and suggestions were gleaned from many sources. Livestock Branch engineers with over twenty years of work in administering the Packers and Stockyards Act had come to many conclusions as to how the yards could better provide the services needed to increase the efficiency of the livestock marketing process. In many instances, improvements that progressive stockyard managements had developed and put into use were drawn on to give all the benefit of their experience. The purpose of this study was to assist stockyards in solving individual problems and to bring each to a high state of efficiency.

The study covers all stockyards operations. Suggestions range from model arrangement and design of complete stockyards to a discussion of the merits of various types of hinges and latches for stockyard-pen gates.

There are several trends in livestock marketing that have had a marked effect upon the arrangements and operation of stockyards. One of the most important has been the predominant use of trucks for transporting livestock. This has required many changes in layout and arrangements of consignments by rail. For most efficient use, facilities should be geared to handle smaller consignments of livestock arriving in a large number of trucks. Too often the design, sizes, and arrangements of the facilities were those developed for rail transportation and were neither suitable for handling and servicing truck receipts nor adequate for providing reasonable services under present-day demands.

The study presents the ideal location and kind of docks and chutes needed for truck receiving facilities. These are thoroughly diagrammed. Rail facilities are also dealt with.

Types of fences and heights required for different classes of livestock are described along with ideal pen facilities. There is a short

discussion on the merits of footwalks and viaducts for the use of employees and patrons. The study develops the different types of gates that may be used along with a detailed and illustrated explanation of the various kinds of gate hardware. Mangers and troughs are also described.

Modern livestock scales, key facilities at terminal stockyards, contribute directly to economical and efficient operation. While principal requirements are to weigh livestock accurately, it is necessary that this be done with a minimum delay. The report contains model scale layouts filling both these requirements and detailed information concerning scale houses, platforms, construction, types of scales and devices, and arrangements for sorting and catch pens for cattle and hog scales.

Yard utilities are important items in the services supplied by terminal markets. Water supply should be ample for livestock and human use and for fire protection. Electrical distribution lines should provide for ample night time lighting and for operation of motor driven tools. Sewers and drains should be sufficient to carry run-off from rains and water used in cleaning the yards.

Various types of surfaces are suitable for the roads, streets, and truck dock approaches. An important consideration should be drainage and ease of cleaning this paving.

The many different facilities of the average terminal yard require a wide range of construction materials. The study points out the best woods for various uses and also the preservatives that are best for the woods used. The use of metals such as magnesium, aluminum, and steel was studied and many pointers as to their uses given. Concrete and other materials are adapted to many of the stockyard construction needs.

While the study was developed primarily for the use of the public terminal stockyards, there are many ideas and helpful hints for the smaller stockyard operations and for individual livestock producers. Profusely illustrated with both diagrams and photographs, the report gives a readily understood answer to many problems that are perplexing to either small or large stockyard operators.

A copy of the publication, "Suggestions for Improving Services and Facilities at Public Terminal Stockyards," may be obtained from the Office of Information Service, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

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"ON CALL" COTTON SALES ANALYZED

Significance of the part played by "on call" contracts in the marketing and pricing of cotton is covered in a recent publication issued by the Commodity Exchange Administration, USDA. "Call" sales are made at an unfixed price based on a premium or discount over or under a specified cotton future. The publication, "Cotton 'On Call' Statistics," August 1945-July 1951, is available from CEA.

Wholesaling Frozen Foods

By James A. Mixon

If you're interested in the facilities and organization of a wholesale frozen food distribution plant, the Production and Marketing Administration, USDA expects to publish a report soon that will give you a big assist. In the study, now being processed, questions such as these are considered:

- What are the essential parts of such a plant?
- What principles should be used in designing and laying out the plant?
- What methods and arrangement of facilities should be used in assembling orders?
- Should the wholesaler store in a public or privately owned warehouse?
- What is the wholesale frozen food "market"?
- Where should the plant be located?

The report is part of a larger research project covering the development of principles for improved layout design, and location of farm and food product marketing facilities, being conducted by the Marketing and Facilities Research Branch, PMA.

The wholesale distribution plant should have these components: storage space, an order assembly room which may provide some storage space, order-holding space, covered platforms, office space, and toilet facilities. It may also include a compressor room, direct rail connections, accommodations for refrigerating and parking delivery trucks, utility storage room, and an inspection and testing laboratory.

When designing a plant the wholesaler should consider the equipment he will use. Scale of operation should be one of the major considerations in selecting equipment. The equipment necessary for frozen food handling can be divided into three broad groups: manual non-unit load, conveyors, and unit-load (pallet loads and skid loads).

In developing the plant lay-out, proper integration of the various sections is important if maximum efficiency and managerial control are to be maintained. Provision should be made for definite lines of flow of merchandise through the plant. Distances should be as short as possible, consistent with the size of the plant, and the space should be so arranged that there will be a minimum of back haul.

The report states that the temperature in order assembly rooms may be held near 0° Fahrenheit or at 30° or 40° F. In choosing between zero and the higher temperature the principle factors to be considered

are effect on the product, efficiency of labor, and possible utilization of storage and working space. If warm rooms are used products should be passed through the room rapidly.

For storing frozen foods temperatures must be maintained at 0° F. Since frozen foods cannot be held for sustained periods in the "warm" (30°-40°F.) rooms, separate facilities must be provided for storage and holding orders.

In zero operations, dual assembly lines, each of which should be 60 feet long, are suggested for wholesalers who stock 100 frozen food items and whose peak daily sales approximate 1000 cases. A single, 88-foot line is suggested for the wholesaler who stocks 150 items but maintains the 100 case daily volume.

For warm room order-assembly operations, either chute or pallet rack installations with single order-assembly lines are suggested. For the wholesaler stocking 150 items and with peak daily sales of 1000 cases, 100 chutes and a 100-foot assembly line should be adequate. For the same scale operation, 26 double-decked pallet racks and a 100-foot line might prove more desirable in plants handling products on pallets.

In storing stocks not to be used immediately, wholesalers usually have a choice between storing principally in packer's and public warehouses or providing their own facilities. In deciding which they should use, wholesalers would carefully compare storage and handling costs in each type, the warehouse-to-plant cartage costs involved in public type of storage, initial investment, and control of inventories that may be had in each type of facility.

The report points out that a prospective wholesaler does not necessarily have to construct his own building. He may get together with other frozen food wholesalers and build a specially designed warehouse (the frozen food market) or lease space in a public warehouse.

But if the wholesaler decides to build, the report recommends consideration of these points: The location of customers to be served; cost of land; the availability of space for expansion; and types of products other than frozen foods that the dealer may handle. In addition the wholesale plant should be conveniently located to receive supplies by both rail and motor truck.

The report, Planning a Wholesale Frozen Food Distribution Plant will be published within a few weeks. The publication date will be listed in MARKETING ACTIVITIES.

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COTTONSEED OIL MILLING STUDY

Operating and marketing practices of the cottonseed oil milling industry have been analyzed by the Fats and Oils Branch, Production and Marketing Administration, USDA, in Agriculture Information Bulletin No: 79. The report studies the effect of processing changes upon the cottonseed industry, market outlets, and growers' returns and analyzes marketing methods and practices.

Marketing Briefs

(The program announcements summarized below are more completely covered in press releases which may be obtained on request from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C. by citing the code number given at the end of each item.)

Cotton.--Details of the price support program for 1952-crop upland cotton have been announced. The program is different from those of previous years in that it gives greater encouragement to use of local lending agencies and local administrative committees in the granting and servicing of cotton loans. Purchase agreements on cotton are made available for the first time and equity transfer agreements also will be available. Final loan rates will be announced about August 1, 1952. (USDA 908-52)... F. Marion Rhodes has been appointed Director of PMA's Cotton Branch succeeding C. D. Walker, who has resigned. Mr. Rhodes formerly was Director of PMA's Office of Requirements and Allocations. Richard H. Roberts, former deputy director, has been appointed acting director of the R&A Office. (USDA 989-52)... Effective June 13, 1952, plant quarantine regulations applicable to the movement of cotton, cottonseed, and cottonseed products from Hawaii or Puerto Rico to the U. S. mainland have been amended and extended to the Virgin Islands. Designed to prevent spread of the pink bollworm and cotton blister mite to the U. S., the quarantine covers seed cotton, cottonseed, cotton lint, linters, cotton waste, and other forms of cotton fiber, as well as cottonseed hulls, cake, meal, and other cottonseed products except oil. The amendment also covers second-hand burlap and other fabric used for wrapping cotton. (USDA 1037-52)

Dairy Products.--Postponement of adoption of a revision in U. S. standards for grades of creamery BUTTER proposed last February has been announced. Action was taken because of the hardship which might result to persons storing federally graded butter under current standards and, upon movement out of storage, having such butter graded under revised standards. (USDA 889-52)... Withdrawal of revisions proposed last February for instructions for dairy plants operating under voluntary USDA supervision and inspection in connection with the manufacture of dairy products also has been announced. Further improvements are to be made in the instructions before they are made available for comment. (USDA 887-52). The following actions were taken on milk marketing orders during the past month: Several administrative changes in the Philadelphia Federal milk marketing order have been recommended by USDA on the basis of hearings there late in February. (USDA 99-52). Earlier, the Department amended pricing provisions of the order as a result of the same hearing. (USDA 822-52). The Greater Kansas City Federal milk marketing order has been amended to change the monthly Class I milk price differential. (USDA 904-52). No change will be made in the formula for pricing Class I-A (fluid) milk under the New York Federal milk marketing order as a result of the hearings held in January. (USDA 1046-52). A hearing to consider a proposed new Federal milk order for the New York-New Jersey metropolitan area is to be held June 2, 1952 at Newark, N.J. (USDA 981-52). The Federal milk marketing order for Topeka, Kan., has been amended to establish a Class I milk price there the same as that under the Greater Kansas City

order. (USDA 925-52). A minor change covering location differentials for producers and transportation differentials for handlers has been approved in the Louisville, Ky. Federal milk order, subject to producer approval. (USDA 1048-52). Changes have been made in the Ft. Wayne, Ind., Federal milk marketing order relating to settlement fund obligations and cheese prices, also subject to producer approval. (USDA 984-52). Hearing was held May 5 on a proposed change from the present market-wide pool to an individual handler pool under the same order. (USDA 933-52). Provisions of the North Texas Federal milk marketing order relating to transfers of milk from approved plants to unapproved plants over 200 miles distant have been suspended through June 30, 1952. (USDA 1002-52). Previously, the Department amended the same order to provide a temporary price for Class I milk through next September and an increased Class I milk differential. (USDA 918-52). A Federal milk marketing order for the Fort Smith, Ark., area similar to those in effect in Tulsa and Muskogee, Okla., has been recommended by the Department. (USDA 972-52). Changes in price and other provisions of the South Bend-La Porte, Ind., Federal milk marketing order are to be considered at a hearing in South Bend on June 2. (USDA 1066-52). Orville A. Jamison of PMA's Dairy Branch has been named market administrator under the recently approved Federal milk marketing order for San Antonio, Tex., (USDA 956-52). The Class I milk price provisions of the Puget Sound, Wash., Federal milk order have been amended. USDA 917-52).

Fruits and Vegetables.--U.S. Standards for grades have been revised for the following commodities: Frozen Apples (USDA 959-52), Frozen Lima Beans (USDA 903-52), Frozen Asparagus (USDA 818-52), Processed Raisins (USDA 858-52), Peaches (USDA 1047-52). Revision of U.S. Standards has been proposed for the following: Canned Sweet Cherries (USDA 901-52), Canned Plums (USDA 902-52), Winter Pears (USDA 1021-52) Frozen Mixed Vegetables (USDA 1074-52). U. S. Standards have been issued for the first time for: Raspberries for processing (USDA 819-52) and Frozen Leafy Greens (USDA 1023-52). Members and alternates have been named for the following marketing agreement committees: South Dakota Potato Committee (USDA 863-52), Oregon-California Potato Committee (USDA 877-52), Idaho-Eastern Oregon Potato Committee (USDA 961-52), Washington Potato Committee (USDA 984-52), Raisin Advisory Board (USDA 1026-52), and Utah Peach Administrative Committee (USDA 965-52). Action has been taken as follows on marketing agreements covering NUTS: The salable percentage of Almonds from the 1951-52 crop has been increased to 90 percent. (USDA 1061-52). Growers in a recent referendum favored continuation of the Pecan marketing agreement in the Southeastern production area. (USDA 1057-52)

Grain.--Revised conversion charts for use with the Tag-Heppenstall electric moisture meter to determine moisture in hard red winter wheat, all hard red spring wheat, and white wheat grown in Western areas have been issued by USDA to licensed grain inspectors and supervisors for use beginning June 16, 1952. (USDA 1027-52)...Farmers placed 23,552,287 bushels of 1951-crop corn under CCC price support through March 1952 as compared with 47,877,512 bushels of 1950-crop corn through the same period last year. (USDA 945-52)... Near record grain exports in March lifted the total of such shipments for the period July 1951-March 1952 to more than 500,000,000 bushels as compared with 394,000,000 in the like period of 1950-51. (USDA 915-52)... USDA has programmed 150,000 additional long

tons of wheat for export to Italy. (USDA 862-52)

Livestock.--Through April 30, USDA had purchased a total of 26.4 million pounds of smoked pork products and offered to purchase substantial additional quantities under the same terms. The program is aimed at diverting from the market temporary burdensome supplies of pork which were resulting in unfavorable hog prices to producers. The smoked pork purchases are to be distributed later to school lunch and other eligible outlets. (USDA 955-52)... A letter has been sent all State livestock sanitary officials outlining USDA policy with regard to anthrax control. It also points out that the Bureau of Animal Industry is contemplating new regulations which would require imported raw bone meal, green bone meal, and bones to be restricted to plants approved by the bureau for further processing. (USDA 1035-52)

Poultry and Eggs.--U.S. poultry grading and inspection regulations have been amended to bring them in line with recommendations of industry and public health officials as well as with proposed revisions in Federal procurement specifications. One of the major changes, effective July 1, 1953, will prohibit consumer grade labeling of individual carcasses of New York dressed poultry. Labeling of bulk containers of such poultry will be permitted only when it has been processed in official plants under USDA sanitary requirements. Other changes, immediately effective, would permit dressed poultry from registered Canadian dressing stations to be brought into official U. S. plants for grading or inspection; provide for individual labeling of C quality ready-to-cook poultry in addition to A and B quality; provide for changes in cooling requirements for processed poultry; provide for examination of uninspected ready-to-cook poultry where it has become damaged in transit or storage and when such action is requested; require printed labels for identification of poultry processed under USDA sanitary standards; and make changes in class names and classifications of turkeys. (USDA 857-52)... Minor revisions in U. S. specifications and weight classes for consumer grades and wholesale grades for shell eggs, and reinstatement of U.S. procurement grades and weight classes has been proposed by USDA. The changes clarify language used in describing consumer and wholesale grades and weight classes, but do not change the grades in any respect. Procurement grades are being reinstated to make possible egg purchases by various Government agencies, including the armed forces, on a uniform basis. (USDA 859-52)... Through May 15, USDA had purchased 23,240 cases of shell eggs under the surplus removal program for that commodity. Further offers of sale were to be considered by the Department in May. As is the case with smoked pork purchases (see Livestock above), the eggs will be distributed this fall to school lunch and other eligible outlets. (USDA 1070-52)... USDA has offered to sell 5,200,000 pounds of dried whole eggs to exporters on an offer-and-acceptance basis. These are all remaining stocks of the product which was purchased in 1950 for price support purposes. (USDA 1055-52)

Tobacco.--Approval of a Federal Marketing Agreement and Order to regulate the handling of Type 62 shade-grown cigar-leaf tobacco grown in a designated production area of Florida and Georgia has been announced by Secretary of Agriculture Charles F. Brannan. (USDA 843-52)

ABOUT MARKETING

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Publications:

Comparisons of Transit Damage, Loading Time, and Materials Costs Under Various Methods of Loading Cantaloups, 1951. May 1952. 17 pp. (PMA) (Processed)

Costs of and Reasons for Rewrapping Prepackaged Meats, Poultry, and Cheese. November 1951. AIB No. 77. 34 pp. (Processed)

Conditioning and Storage of Seed Cotton with Special Reference to Mechanically Harvested Cotton. March 1952. 38 pp. PMA and ARA. (Processed)

Check List of USDA Standards for Farm Products. April 1952. 14 pp. (PMA) (Processed)

Regulations Governing the Grading and Inspection of Poultry and Edible Products Thereof and United States Classes, Standards, and Grades with Respect Thereto. Federal Register Reprint. April 1952. 19 pp. (PMA) (Processed)

Some Improved Methods for Receiving Bales of Cotton in Compresses and Warehouses. March 1952. AIB No. 80. 54 pp. (Processed)

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